

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2428-01
BILL NO.: HB 1418
SUBJECT: Insurance - Medical; Medical Procedures and Personnel
TYPE: Original
DATE: February 9, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Insurance Dedicated	\$10,050	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$10,050	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from **Department of Economic Development - Division of Professional Registration**, the **Department of Public Safety - Missouri State Highway Patrol**, the **Department of Transportation**, the **Department of Conservation**, and the **Department of Health** assume this proposal would not fiscally impact their agencies.

Department of Social Services (DOS) officials assume the proposal would not have a fiscal impact. DOS states that currently Medicaid reimburses for a second opinion if the patient chooses. DOS states that second opinions provided by a specialist would also be covered services. Since payment for these services are currently covered, DOS projects there would not be a material fiscal impact. DOS states that it could be argued that more referrals/second opinions would be done; however, now it is common practice to refer a patient to an oncologist when cancer has been diagnosed.

Department of Insurance (INS) officials state that they anticipate that current appropriations and staff would be able to absorb the work for implementation of this proposal. However, if additional proposals are approved during the legislative session, INS may need to request an increase in appropriations due to the combined effect of multiple proposals.

INS states there are 259 health insurers and 30 HMOs that offer health insurance coverage. INS states that of the health insurers, many offer coverage through out-of-state trusts which are not typically subject to such mandates. INS estimates that 171 health insurers and 30 HMOs would each submit one policy form amendment resulting in revenues of \$10,050 to the Insurance Dedicated Fund.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state the proposal would require a primary care physician (PCP) to automatically refer a member prior to treatment and within seven days of a cancer diagnosis to an oncologist, radiation oncologist, and surgeon, if their specialty is applicable to the treatment of that patient's type of cancer. HCP states that PCPs do not treat cancer patients; these patients are almost always referred to cancer specialists. If cancer specialists are in the plan's network, the plans do not incur any cost they would not already incur. HCP states this proposal would not have a fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
---	---------------------	---------	---------

INSURANCE DEDICATED FUND

Income - Department of Insurance

Filing fees	<u>\$10,050</u>	<u>\$0</u>	<u>\$0</u>
-------------	-----------------	------------	------------

ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>\$10,050</u>	<u>\$0</u>	<u>\$0</u>
---	------------------------	-------------------	-------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
---	---------------------	---------	---------

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
--	------------	------------	------------

FISCAL IMPACT - Small Business

Small businesses may be fiscally impacted if their health insurance coverage does not include referrals for a diagnosis of cancer as required by this proposal.

DESCRIPTION

This proposal would require health insurers to provide coverage for referrals to oncologists and radiologists whenever a physician diagnoses a patient with cancer. Such physicians would be required to provide these referrals within 7 days of the diagnosis. The proposal does not apply to some supplemental health insurance policies.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Division of Professional Registration
Department of Health
Department of Social Services
Department of Insurance

L.R. NO. 2428-01
BILL NO. HB 1418
PAGE 4 OF 4
February 9, 2000

SOURCES OF INFORMATION (continued)

Missouri Consolidated Health Care Plan
Department of Transportation
Department of Public Safety
Missouri State Highway Patrol
Department of Conservation

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director
February 9, 2000